

offer that. It would be very easy to do. We could vote on a Republican alternative, we would have a vote on the White House proposal now before the Senate, and we would vote on the bill that passed the House and leave here. If that is not something the Republicans choose to do, then we will vote tomorrow on a motion to proceed to the bill that has been prepared, drafted, and had input on by the two committees and the White House. If we are not allowed to proceed to that, then we, in fact, will be through with this, as we have been through with numerous pieces of legislation through the past year.

So, again, I invite the Republicans, if they have an alternative, to put it forward. They have had ample opportunity to do that. Again, I have received a number of phone calls from Republicans today saying: I have just the thing that needs to be done to make this a great piece of legislation. Well, I would hope they would be ready to do that. If not, we will have a vote tomorrow on a motion to proceed to H.R. 7005.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CORKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

#### RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

#### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business for 1 hour, with Senators permitted to speak for up to 10 minutes each.

#### ORDER OF PROCEDURE

Mr. CORKER. Mr. President, my understanding was that if possible—I made some calls earlier today that that may be waived and that I go up to 25 minutes.

Mr. INHOFE. Mr. President, reserving the right to object, I ask unanimous consent that the Senator from Tennessee be given the amount of time he wants, and immediately following that, that I would be recognized for such time as I shall consume.

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma have a sense for how much time that will be?

Mr. INHOFE. About 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Tennessee is recognized.

#### AUTOMOBILE CRISIS

Mr. CORKER. Mr. President, I rise today to talk about where we are in this auto bailout. In essence, it is show time here. A bill came over from the House last night. It is the end of the year. There is an impending crisis we are dealing with here in the country. So today we will be debating that and hopefully in the next few days take a vote.

I spent a lot of time in the committee talking with certain and various parties involved. I spent a lot of time outside the committee doing the same thing. There is no doubt we are going through an economic time that is very difficult for the auto industry. It is also difficult for businesses and families all across this country as they try to make their budgets work out.

As we have looked at this issue, I know there has been a lot of negotiation that has taken place between the White House and House Democrats. I really think the product that has been developed is a very poor product.

I don't blame that on my Democratic colleagues who negotiated because the White House is actually at a point where they are looking for the next flight out of town on January 20. Basically, they want to kick the can down the road and let some other administration and some other Congress deal with this issue. All of us are going to be here next year. It is our responsibility to deal with this issue in a professional and a competent manner and actually solve the problem.

I say to my colleagues on both the left and right, on the Democratic and Republican sides, we have a historic opportunity to actually solve this problem. The solution is very simple.

I have looked at this legislation that has come over. It is similar to so many things we do around here. It is akin to a three-humped camel. You couldn't make it more ineffective and more complicated. We have put in place a czar. It seems like with everything we do around here, we try to find a person who can save us from the crisis that is happening. We did the same with the financial rescue package not long ago. I have looked at the actual responsibilities of this czar. I said yesterday I had a banking staff person who actually could fulfill those responsibilities. She read that in the paper this morning and came in and said she is overqualified, that in essence this is not something she would want to take on. I think we can use some help, certainly, from the outside, and there may be a role for somebody such as this. But what we are looking at is a fairly simple transaction. It is a lot of money, a fairly simple transaction.

Here is what we have. We have three companies. Two of the companies are on the verge of bankruptcy. As a matter of fact, I would say two of the com-

panies are in bankruptcy. I know Chrysler, today, is meeting with their supplier group. I know if they don't win concessions today, they are in great trouble. General Motors has told us if they don't receive funding by the end of this year, they will have to file bankruptcy. I believe that.

We have a lot of Republicans who would like to see that happen, would like to see chapter 11 occur and to see them go through the laws that exist for reorganization in a way that is clean and allow them to move ahead in a financially stable way. As a matter of fact, many Republicans would actually agree to something called debtor-in-possession financing after that occurred so these companies could evolve. There are people on the other side of the aisle who have decided that is a cost that is too great to bear.

I started out along the path that I believed the best way for us to solve the problem was to actually cause these companies to go through reorganization and any role we might play as the Federal Government would be in the way of debtor-in-possession financing. After listening to the testimony and after talking to people all across the country who are involved, I do believe the supply chain is in great stress. They are undercapitalized. The three companies have already been utilizing the supplier chain for financing by paying late and carrying payments for lengths of time. I do think the supply chain is fragile.

What I have tried to do is figure out a way to create a piece of legislation that is elegant, simple, actually solves the problem, and causes these companies to be in great shape and for us to be able to move ahead and know that has been done.

There are a lot of times I have heard people say: We are from the Government, and we are here to help you. When people hear that, they usually run for the hills. This is a case where if we will take a moment, we can actually do something that is great for these companies. We have a big stick. These companies cannot get financing anywhere except from the Federal Government. So we have an opportunity to sort of thread the needle in a simple way and cause these companies to be successful.

Let me say, other than the economic issues, these companies have three major issues. Each one of them is different. We know that basically we are talking about General Motors here. We wouldn't be having this discussion if it weren't for General Motors. Chrysler would not be here if it weren't for that. They are in serious trouble but wouldn't have the clout to be able to talk to us in this way. Ford has money today because of refinancing they did back in 2006. They are not even part of the discussion today. They might be down the road, but today they are financially viable, although burning cash at a rate that is almost equal to that of General Motors. We are talking—to make this clear to people—

about three entities we need to talk to: General Motors, Cerberus or Chrysler, and the UAW.

There are three things that are basically causing these companies difficulty. One is the capital structure. The debt these companies have is not sustainable. It doesn't matter how much money we were to put into General Motors; with the \$62 billion in debt they have today, there is no way they can sustain their company. They cannot. GM only has a market cap today of around \$2 billion. Toyota has a market cap of \$130 billion. BMW has a market cap of \$14 billion. So this is a company that has a huge amount of debt and very little value. Chrysler probably has no value. They are privately held. So we have two companies we need to deal with in a similar way, as it turns out.

Let me lay something out. Right now the capital structure in both places is too high. Cerberus and Chrysler can't withstand its debt. GM cannot withstand its debt. Secondly, the labor costs are out of line. I know there is a lot of talking about the UAW. Candidly, I will admit, in some cases they get a bad rap. A lot of the people who are my friends would not like me saying that, but in some cases they actually get a bad rap as to the way the comparisons go.

The third issue is the dealership issue. I don't think we can deal with that today. There are two issues we can deal with in this loan and solve the problem. One is the capital structure. The other is the labor issue. Here is what I propose. We will be putting this forward, as Senator REID mentioned. We have some alternative legislation. I hope it is something both Democrats and Republicans can embrace. It is very simple. Let's go ahead and fund the money. Let's fund the money that has been requested. To Republicans, that is like debtor-in-possession financing anyway because these companies are basically bankrupt. To Democrats, the funding is in place to cause these companies to be whole. Let's go ahead and fund the request that has taken place.

Let's have three covenants. We can do this with a very short bill which we drafted. The first covenant is that by March 15, the outstanding indebtedness at the two companies that are going to apply for this has to be reduced by two-thirds or the companies have to file for bankruptcy on March 15. That gives the companies, the bondholders, which we have talked to on the phone, plenty of incentive to make sure the debt is reduced by two-thirds so these companies have a capital structure that allows them to go forward. This is the only way they will be successful. We have had plenty of people testify that if we put our money on top of the \$62 billion in debt GM has, there is no way they can be successful, even if we are selling 20 million cars a year. Today, we know, we are selling at a 10 million rate. That is No. 1. Give them the

money. If by March 15 they haven't reduced their capital structure in that regard—and we have talked to people on all sides who believe this can happen, but it can only happen with the stick of Government, meaning we are going to force them into bankruptcy if they don't do it. That is the first covenant.

The second covenant is, I have listened to Mr. Gettelfinger's testimony and talked to him on the phone this morning. He says the only way the UAW can make concessions is if they see the bondholders have done so first. This legislation makes that happen by March 15. So, secondly, after the UAW has seen that the bondholders have taken a "haircut," a word that is used around here a lot, they have to do two things: No. 1, they have to convert half the VEBA obligation, the Voluntary Employee Benefit Association obligations. They have to convert half those to equity. If the company goes bankrupt, these future payments are never going to happen anyway. Again, that reduces the debt at GM by another \$10.5 billion, and it gives the UAW equity in a company that actually has value now because the debt by the bondholders has been reduced. That is the second covenant—very simple.

The third action they have to take is at that same public meeting where they take a vote, they have to agree to have a contract in place that puts them in parity with companies such as Toyota and Nissan and Volkswagen and other companies here. Before everybody goes crazy over that, that is as certified by the Secretary of Labor. That is not something we prescribe. I realize there will be subtleties in that. There are comparisons that have to be made. To my friends on the left, that would be a Secretary of Labor by the Obama administration who has the ability to look at the various differences and nuances to actually certify that.

I have talked to Ron Gettelfinger this morning. Because of the debates we have had recently, I am probably not on his Christmas card list this year. I realize that. But he actually is talking with his leaders about this. I have talked to the COO at General Motors last night and this morning. He was the former chief financial officer. He agrees this will work. This gives the stick to the Government to make them have to do the things they need to do to actually cram down their bondholders.

I have heard a lot about Main Street and Wall Street. For those people who want to take an ounce or a pound of flesh from Wall Street, those are mostly the people who own these bonds. They will be taking this huge haircut, two-thirds. In GM's case, it is about \$20 billion that would be converted to equity and take away a face amount of debt.

I plan to be here all day today. I would like to take 30 minutes off from 12:30 to 1 to give a talk someplace. But

I would ask any Democrat, any Republican to please come down to the floor, call me, e-mail me, tell me why we couldn't put in place these three covenants which are very reasonable. They are the only actions that can happen in real time to make these companies successful. Let's pass a bill that causes these companies to be strong, gives them the money to breathe.

By the way, we had somebody testify the other day in Banking who said that if we give money to these companies in the form they are in today, we will end up giving \$75 to \$125 billion. I talked to the President of GM this morning. He says if we can make this happen—of course, the bondholders say we can, he says we can—that they will be limited in their request to only what they have asked for. They do not believe any more U.S. dollars will be required.

I ask my colleagues, why would we not take a simple piece of legislation, put it in place. It acts like debtor-in-possession financing. It does what we need to do to make sure the bondholders and the UAW themselves do the things they need to do to make the company whole. Management is already hamstrung by the bill. It lays out the items management must forgo for these loans to be in place. Let's leave here having done something that actually causes these companies to be healthy, vibrant, able to go into the future in a strong way for the first time in 30 years. We can do something great today, if we will only sit down and do it.

I ask my colleagues to do one other thing. We have tried to make this so complicated. There are three groups each of you can call to see if this will work. Call Chrysler, call General Motors, call the UAW and ask them if this will work. If there is a sentence we need to change, a comma we need to put in place, let's do it. But it is very simple. We have drafted a bill as if we are saving the world. We are talking about three companies alone, actually two companies today alone and three covenants can solve this problem, put them on a solid foundation, move them ahead. We will have done the right thing for the American taxpayers. We will have done the right thing for these companies, and we will have acted responsibly together in concert, doing something that, again, is right for our country.

Mr. President, thank you for the great length of time. I hope my colleagues on both sides of the aisle will come down and tell me why this will not work. Thank you very much.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. ISAKSON. Mr. President, will the Senator from Tennessee yield for a question through the Chair?

Mr. CORKER. Yes.

Mr. ISAKSON. First of all, Mr. President, I commend the distinguished Senator for all the work he has done on this issue over the last 2 months. But I

have one question. Is it not true that almost all those conditions in those three conditions you outlined were in whole or in part verbally contemplated by the automakers in terms of what it is going to take for them to come back and be profitable in the first place?

Mr. CORKER. No question. I say to the Senator from Georgia, they have come in our offices and actually—they have advisers. Their financial advisers have told them that they need for us to craft this legislation this way so they have the hammer they need to make the bondholders reduce their debt so they can be healthy. Without this kind of hammer, nothing is going to happen.

Look, you have read this bill. This bill says they have to have a plan to show a net present value in place by March 31—a plan. It does not say when it has to be accomplished. We can solve this problem so simply for them, for the United Auto Workers, for the State of Michigan.

By the way, for the record, I want to say I have a General Motors plant in my State. It is very important. It is modern. It has been invested in. We have a Nissan plant, and we have a Volkswagen plant coming.

The automobile industry is very important to me, as I know it is to you, I say to the Senator from Georgia. I thank him for that question.

Mr. ISAKSON. Mr. President, I say to the Senator from Tennessee, I thank you for your hard work.

Mr. President, I yield back.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I also thank the Senator from Tennessee for all his labors and what he has been through. Quite frankly, I came back from the Horn of Africa and Afghanistan on Saturday or Sunday—anyway, over the weekend—and when I saw all this stuff coming up, I knew from my experience in the Senate that nothing was going to happen for a few days, so I did not stay and work hard like my friend from Tennessee. I went back to Oklahoma. I do that now and then just to talk to normal people, to hear what these people have to say, as opposed to the bureaucrats and the stuff we get in Washington.

In a way, it is a little bit humorous. We went through the \$700 billion bailout. I can remember everybody talking about Secretary Paulson coming down and saying: The world is going to come to an end if we do not do this. He said: We are going to have to do it.

Well, we did some calculations, and I do not think most of the American people realize when we talk about these numbers—whether it is \$14 billion or \$700 billion—how much it really is. If you did your own math when this stuff comes up—this is what I always do—there are 139 million families in America who file tax returns. If you take the 139 million families and divide that number into \$700 billion, that is \$5,000 a family. Now we are talking about something that is serious. When I tell

people in Oklahoma that, that gets their attention.

So here we are talking about \$14 billion right now. Nobody seemed to care before, and we just passed that matter by a huge margin: 75 to 24. I was one of the 24 who voted against the \$700 billion bailout. But we passed it by that huge margin, more than 2 to 1. It is something that is so much bigger than the \$14 billion we are talking about now. We are making a big issue about the \$14 billion. Where was all the concern and outrage when we were talking about \$700 billion?

So we watched it come along, and we saw that we gave the Secretary of the Treasury all the money that he was asking for. Then we find out that as to what he was going to use the money for, it was not used for that at all. He said, and I heard it myself—everyone in here heard it: the Democrats heard it; the Republicans heard it—if we don't have this \$700 billion to buy out troubled assets, this whole country is going to go down—this doom and gloom. Once he got it, he did not do it. He did not come to us and say: Well, there is a different plan now. We are going to use it in some other way because I don't think this is going to work.

So that got my attention. I decided at that time: Well, if they are going to go ahead and give him this \$700 billion, let's see what there is in that law that we passed that might be to the benefit of people who are concerned about this issue. I saw that it was broken into two parts. The first \$350 billion pretty much was given to him to use at his discretion, which he did. He did not come to us and say he was going to use it in a different way. He just went ahead and did it. It is the first time in the history of America that anything close to \$350 billion was spent in such a way.

Then we have in the law that was passed a provision that says if he needs the other \$350 billion, he can go ahead and do that, and if there is not an objection—as a matter of fact, if he does this, and does this when we are out of session, we would be helpless to try to do anything to stop it.

So I introduced a bill. It is S. 3683. It is not going to be considered. I am not a member of the club, so that is not going to come up, although we have made an effort and we actually have some Democrats on the bill. That is something that uses the rules that are out there and says we can change the second \$350 billion so it will take a positive act of Congress to allow them to access the second \$350 billion.

Now, let's quickly jump back to the current issue. I wanted to put that in perspective because when we talk about \$14 billion, compared to \$700 billion, I just wish there was that much outrage when we were making that commitment. So here we are talking about one unelected bureaucrat to be known as the car czar—get ready for the car czar. We have only had one good czar in the history of America

that I know of, and that was Bill Bennett when he was the drug czar. However, he was not given a blank check to spend a whole bunch of money. He is just a brilliant guy who was going to try to stop some of the stupid things we were doing in this country. That was back in the 1980s when the drug problem first surfaced as a major problem. He did a great job. I draw him out as an exception when I talk about czars. Now we are talking about a car czar. This guy is going to have the same bureaucratic power that Secretary Paulson had during the time he pulled off this \$700 billion bailout.

Now, this bill makes the U.S. Government, the taxpayers, part owners of these companies. This \$14 billion bill is one that is going to surface probably today. People are talking about, and the leader talked about, maybe we will go all the way through the weekend if we do not get something done. But the instrument that came over from the House yesterday to the Senate is most likely what we are going to be considering, and it is one that makes the Government part owners of these companies.

The car czar does not have any specific instructions, such as renegotiating some of the union contracts and some of the things that will have to be done. I looked at this early on, and I thought, as undesirable as bankruptcy is, I do not know of any other way you can actually force the tough negotiations that will have to take place. It has to be management and labor. It is not just labor; it is not just management. There has been mismanagement. But they would have to satisfy the courts that we have a system that will work.

I read an article in the New York Times from the middle of November, and it was entitled "A British Lesson on Auto Bailouts." It discussed the British treatment of the Leyland automobile in the 1970s and 1980s. The article reported that the British Government ultimately spent—well, transferring this or putting this in U.S. dollars—they spent \$16.5 billion—that is comparable to what we are talking about now—to bailout the British automobile company called Leyland.

The article quoted a top official from the Thatcher government, which reluctantly but ultimately backed the bailout. He said:

I'm not telling the U.S. what to do, but the lesson of the British experience is don't throw good money after bad. British Leyland carried on for a few more years, but they are not there now, are they?

No, Mr. President, they are not. They are bankrupt after burning through the taxpayers' bailout dollars.

Now, why we now believe Government bailouts and Government ownership of shares of these companies is going to be a successful venture without a clear idea of what these companies would do to significantly alter their business models, and at least until well into next year—I do not

know why we think this because it has not happened. It has not happened successfully before.

In the New York Times, just a few days ago, Jeffrey Garten, who served as Under Secretary of Commerce during the Clinton administration, and who is now a professor at Yale University, was quoted as saying this:

We're at this moment in history, in which the Chinese are touting that their system is better than ours with their mix of capitalism and state control and our response, it looks like, is to begin replicating what they've been doing.

Now, that is what he says we are doing: replicating now what the Chinese have been doing. I have to say this: I am very much concerned about the Chinese. I have spent quite a bit of time in Africa and other parts of the world. But in Africa, the Chinese, I think, pose the greatest threat to us. It is an economic threat as well as a military threat. But, nonetheless, does that mean we should be doing what they are doing? And we are replicating their system, according to Jeffrey Garten.

I cannot support Congress using taxpayer dollars to bail out yet another industry. I can remember when we were talking about this a few weeks ago with the \$700 billion bailout. We were talking about this as if this were something that was going to be a one-shot deal. I said, standing on this Senate floor, that as soon as this goes through, they are going to start lining up.

I said: You are going to get not just the bankers, you are going to get the auto dealers and the airlines and everybody else out there saying, well, if this is what is out there, bail me out, too. I want to be bailed out.

So this is what is happening. We are now looking at one unelected bureaucrat administering a brandnew Government program with taxpayer dollars buying ownership in an industry. I think we have heard this one before. I know the American people have heard this before also.

This is exactly what Secretary Paulson did. I am talking about the massive \$700 billion financial bailout legislation. Let's keep in mind, we are talking about an amount that is far less than that. We are talking about \$14 billion.

I remember talking on the Senate floor when it looked as though we had \$350 billion that was not going to be used. In fact, Secretary Paulson said—this was interesting—right before we went into recess, Secretary Paulson said: We have no intentions of using, no reason to use the other \$350 billion. We have a reserve that we have not spent yet of about \$15 billion.

I responded and said: Well, if you do not have any intentions of using it, let's go ahead and change the system so you cannot use it. I do not want to have us adjourn and find out: Oh, I think we will use another \$350 billion, which is comparable to about \$2,500 per family filing a tax return.

Well, the Congress gave Secretary Paulson the \$700 billion in two installments, and we all know how that second installment is. I have authored two bills. One of them is S. 3683, sponsored by, of all people, BERNIE SANDERS, the one who is a self-proclaimed socialist, a guy who is on the opposite end of the philosophic specter from me. Yet he knows this is something that is wise: to have accountability for the \$350 billion. I do not have her name on here, but I think Senator MIKULSKI might also have been on here because I was on the Senate floor with her, and she said it would be a good idea. We have Senators BARRASSO, WICKER, DEMINT, ROBERTS, and VITTER.

This legislation would freeze the unexpended expenditures of the original \$350 billion and require an affirmative vote—is that asking too much—an affirmative vote to access the remaining \$350 billion. It is automatic now. That is all we are asking for.

So I think that as we talk today—and, hopefully, this will be over tonight; I anticipate that it will because it goes on and on and on, and nobody, right before Christmas, wants to be working over the weekend when it looks like nothing meaningful is going to happen—let's bring it on, bring on the bill. Let's have a vote on it. Let's get it over with today, and, hopefully, we can reject it. I think a lot of Members in this body, some of those who supported the \$700 billion bailout, have a chance at redemption right now by opposing this legislation.

So, once again, let me just put it back in perspective. I came back from Afghanistan on the weekend and I saw the discussion take place, and I had an idea, through the experience I have on the Senate floor, that nothing was going to happen for the next 2 or 3 days, so I went back to Oklahoma and talked to real people.

By the way, I have to say this: I talked to a lot of dealers in Oklahoma about the idea of a car czar, and because of the prospect of a Washington bureaucrat telling the car manufacturers how to run their businesses and what kind of cars to make, it did not give them hope for the future. These people were opposed to it. I know a lot of the car dealers are for this. They are concerned about keeping the parts inventories and all of that, but I look at this, and I don't see any other way it can happen.

By the way, I would say concerning this bailout bill, I don't think they did anything to address the California waiver. This is something that has to be done if they are really sincere about this bill that came over from the House. Someone can correct me if they have corrected the problems of the California waiver; I don't think they have. Right now, there is litigation out there, where California wants to be able to determine what its tailpipe restrictions are. It is in the courts right now, but if they are successful, then that would mean we have 50 States

that can determine what their emission requirements are in their State. You talk about one factor driving up the price of cars, that would be it.

Again, I don't know for sure what all is in this thing from the House, but I do know this: The basic bill is the same bill that we had before. It is based on a concept that the bureaucracy can run the free enterprise system better than the free enterprise system can, and it doesn't work. Let's solve the problem of the \$14 billion, but let's get some people to join in with me on the Senate bill that will allow us to require an affirmative vote for the second \$350 billion.

Let's put that in perspective: \$350 billion as opposed to \$14 billion. I think it deserves the attention of the Members of the Senate.

Mr. President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ENSIGN. Mr. President, I rise today to speak about the possible bailout of the Big 3 automobile manufacturers. General Motors, Chrysler, and Ford have come before this Congress asking for tens of billions of dollars from the taxpayers. This bailout, however, raises a number of questions that concern me greatly.

The economy of the United States is rooted in free-market principles. These principles, coupled with our Nation's entrepreneurial spirit, helped America become the richest and most innovative country in the world. Even though our economy is struggling right now, we cannot abandon those principles.

American automobile company executives have made many poor decisions over the past few decades. Those decisions combined with a poor economy, have put them in a desperate situation, particularly General Motors. It seems to me that this is exactly why we have Chapter 11 bankruptcy. Now, when I say bankruptcy, I am not talking about liquidation. That is Chapter 7 bankruptcy. Chapter 11 bankruptcy provides struggling companies with the opportunity to restructure responsibly so that they can transform into efficient and profitable firms. Chapter 11 exists to protect both the employees and the company itself by giving them a chance to get things right. The Big 3 should not view Chapter 11 as some sort of death sentence. Instead, they should see it as the best opportunity to put themselves on the same competitive footing with companies such as Toyota and BMW. Venerable companies in America such as Macy's and Continental Airlines have filed for Chapter 11 and have emerged as stronger, more viable companies. So why should the Big 3 be treated any differently?

I know these companies would say they are somehow unique and that bankruptcy simply will not work for them. I am not so sure about that. The Big 3 worry that today's financial environment would prevent them from securing debtor-in-possession financing from the private sector. They would need such funding to keep operating through a bankruptcy proceeding. This is where the government can step in. This would ensure that automakers have the funds to complete the Chapter 11 process.

The Big 3 also worry that few consumers would buy a car from a company that might not be around in a few years to stand by the car's warranty. Again, the government could step in and guarantee the warranties. After all, what is a better backup of a warranty than the full faith and credit of the U.S. Government? And if the government took these steps, wouldn't that give the Big 3 a good chance to successfully reorganize through Chapter 11 bankruptcy?

The Big 3 have testified before Congress that they would require about \$34 billion to avoid liquidation. They would need this help over the next year or two. Many independent analysts, however, believe that number may triple that. Frankly, I am more inclined to believe the independent estimates are closer to reality. After all, the Big 3 have time and again proven unable to adequately plan for the future. Why should we believe their projections now? With the deficit reaching \$1 trillion or more next year, why aren't we having a debate over the true cost of such a bailout? We should be worried about the U.S. taxpayer.

In this legislation, there has been talk about creating a "car czar" to oversee any restructuring that would accompany a bailout. This czar, however, would not have nearly the same sort of powers a bankruptcy court judge would have under Chapter 11. Injecting a government bureaucrat into the process is not a serious solution. If you have been around Washington long enough, you know it is more like a serious problem. Wouldn't it be better to have an expert such as a bankruptcy court judge oversee the process?

Not only would a bankruptcy judge have more tools than a car czar, but the judge would not be influenced by the political process. A bailout would invite all sorts of meddling from lawmakers to have the companies carry out their own pet policies. We should not be using this bailout as a vehicle to implement domestic social policy.

Not to mention that creditors or stakeholders will just lobby Congress to make the sort of concessions that would be required of them under the bankruptcy. We see this sort of lobbying right now with the TARP program. Everyone is trying to tweak the program to benefit their own narrow self-interest. Why would we expect the auto unions or suppliers or dealers to behave any differently? I worry that

politicizing the restructuring of the Big 3 would jeopardize any chances of success they may have.

All this talk of government-directed restructuring also raises bigger picture questions. Why does Congress think we can succeed where so many businessmen have already failed? What sort of experience in the car-making business does this Congress have? Last I checked, none of my colleagues have a background in running a car company. And this car czar seems doomed to failure too. One government bureaucrat to oversee the reorganization of three massive companies? What track record can we point to that makes us think this will work?

This strikes me as a questionable intervention by the government into the private sector. We have the government thinking it can run these businesses better than they can. Heck, we cannot even run the government. We also have the government choosing which individual companies deserve help and which do not. This is not what the Government should be doing. Government should not be picking winners or losers in the private sector. For the long-term health of the country's entrepreneurial-based economy, this could be a dangerous precedent.

One of the companies asking for a bailout is Chrysler, which is owned by an investment fund known as Cerberus. Some reports indicate Cerberus may have significant asset holdings, into the billions of dollars. But it appears Cerberus has done nothing to infuse any emergency cash into Chrysler to save it. Why should the government bail out Chrysler, when its own parent company seems unwilling to offer any help?

If we bail out the car companies, what does that mean for other struggling industries? The automakers are not the only ones suffering today in this bad economy. Would we have to bail out every large company in every major industry? Tourism is one of America's biggest industries and has a high employment multiplier, much like the auto industry. Hotel rooms are going empty as consumers cut back on travel. Many state economies, such as in my own State of Nevada, are hurting because of the downturn in consumer travel. Should the hotels receive a bailout? How about the newspaper industry? We know their businesses are hurting too. The Tribune Company filed for Chapter 11. Should we be bailing them out as well? Where do we draw the line? Can we even draw a line once we have given the Big 3 a bailout?

The proposed automaker bailout is indicative of a big-government approach to dealing with our economy. We are in the midst of a recession, yet we have come back for a late session of Congress to talk about saving just three companies. Why aren't we considering pro-growth policies to help the larger economy? We should be considering long-term, pro-growth tax cuts rather than searching for ways to

spend more of the taxpayers' money. For instance, lowering the corporate tax rate would put more money back into the hands of companies all across America. This would help companies stay afloat and to avoid cutting jobs during these difficult times. Instead, the Democrats are looking to spend money on bloated, uncompetitive automakers.

As we debate whether to loan billions of dollars to the automakers, I urge my colleagues to consider all the important questions I have raised today. This issue is not as simple as answering "how many jobs might be lost?" or "how much it will cost the government?" We must also consider questions such as "what is the Government's proper role during this economic downturn?" "What could be the unintended consequences of our actions?" "Are we setting a dangerous precedent for needless political intervention?" "How might this affect our ballooning deficit?" "Are we taking the best course of action for the long-term health of the U.S. Government?"

We would do America a disservice by approving any bailout package for the Big 3 before finding at least some consensus on these questions. Furthermore, I believe we must look more closely at Chapter 11 as a viable option for the automakers. Chapter 11 reorganization for any of the Big 3 is far from ideal, but we do not live in an ideal world nor during ideal times. We should not dismiss one of the most powerful tools available to us so readily.

I hope my colleagues will think long and hard about the issues I have raised today before making any decisions about the possible bailout. If this bailout package that is before us today fails, we can rewrite the bill and do it in a way that is better for the U.S. auto manufacturing industry. American taxpayers deserve nothing less.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROWN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARDIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EXTENSION OF MORNING BUSINESS

Mr. CARDIN. Mr. President, I ask unanimous consent that the period for morning business be extended until 12 noon, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARDIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.